THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) and (b) The Department of Chemicals and Petrochemicals have reported that caustic soda industry has been de-licensed. The entrepreneurs are free to set up caustic soda plants by following the route of filing Industrial Entrepreneurs Memorandum. The caustic soda is manufactured by electrolysis of common salt, which is one of the inputs in the manufacture of caustic soda.

Merger of subsidiaries of Coal India Limited

305. SHRI B.J. PANDA: Will the Minister of COAL AND MINES be pleased to state:

(a) whether Government have any definite plan of merging the seven subsidiaries of Coal India Limited into one Company and if so, by when;

(b) which are the loss making subsidiaries of CIL in the financial year 2000-2001;

(c) since how long these companies are incurring losses;

(d) whether these loss making companies are referred to BIFR; and

(e) whether the loss making companies are subsidised by CIL by any mechanism?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) A proposal to restructure the Coal India Limited (CIL) and its subsidiary companies from the existing holding company-subsidiary set-up to unitary set-up has been received in the Department of Coal. The matter is under examination, and, at this stage, it may not be possible to indicate the likely time by when a decision in the matter will evolve.

(b) and (c) Bharat Coking Coal Limited (BCCL), Eastern Coalfields Limited (ECL) and Central Coalfields Limited (CCL), the three subsidiaries of Coal India Limited (CIL) are continuously running under losses for years together. However, Coal Mine Planning & Design Institute Limited (CMPDIL), a non-coal

producing consultancy subsidiary of CIL, has also incurred losses during the year 2000-2001.

(d) ECL, BCCL and CCL, the three loss making subsidiary companies of CIL, have been referred to BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985 for substantial erosion of their net-worth.

(e) In February, 1996, a package of capital restructuring of CIL was approved by the Government in order to revive the loss making companies, whereby CIL's overdue liabilities of Rs. 2228.57 crores were taken care of by waiver of arrears of interest, partly by conversion to preference equity and partly by moratorium on repayment and interest accrual. These benefits were passed on to the loss making subsidiaries such as ECL and BCCL. Further, in order to improve the performance of the loss making companies of ECL and BCCL, CIL had effected an internal restructuring of the equity and loan structure of its subsidiaries whereby debts of Rs. 994 crores in ECL and Rs. 1,180.70 crores in BCCL, were converted into equity. Since 1982, the losses of the losing companies of CIL were being subsidised through a mechanism of Coal Price Regulation Accounts. This has been discontinued since 1997.

Private Sector participation in the excavation and extraction of precious metals

†306. SHRI JANESHWAR MISHRA: Will the Minister of COAL AND MINES be pleased to state:

(a) whether Government are considering to entrust the task of excavation and extraction of precious metals to the private sector;

(b) if so, the details thereof;

(c) whether it is also a fact that Government are considering to provide all facilities for foreign investment in the mining sector under the pressure of multinational companies; and

(d) if so, the reasons therefor?

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† Original notice of the Question was received in Hindi.